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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL INSURANCE COMPANY,

Plaintiff,

– against –

THE ESTATE OF IRVING GOULD, MEHDI ALI, ALEXANDER M. HAIG, JR., THE ESTATE OF RALPH SELIGMAN, BURTON WINBERG AND J. EDWARD GOFF,

Defendants.

THE ESTATE OF IRVING GOULD, MEHDI ALI, ALEXANDER M. HAIG, JR., THE ESTATE OF RALPH SELIGMAN, BURTON WINBERG AND J. EDWARD GOFF,

Third-Party Plaintiffs,

– against –

CHARTIS INSURANCE COMPANY OF CANADA (f/k/a American Home Assurance Company (Canada Branch)) and TRAVELERS CASUALTY AND SURETY COMPANY (f/k/a the Aetna Casualty and Surety Company),

Third-Party Defendants.

No. 10 Civ. 1160 (RJS)

DECLARATION OF LAILA BRABANDER IN SUPPORT OF FEDERAL INSURANCE COMPANY'S OPPOSITION TO DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT

LAILA BRABANDER, declares pursuant to 28 U.S.C. § 1746 as follows:

1. I am the Canadian Zone Specialty Claim Manager for Chubb Insurance Company of Canada, a division of Plaintiff Federal Insurance Company ("Federal"). I submit

this Declaration in support of Federal's opposition to Defendants' motion for partial summary judgment.

2. I am responsible for handling the Claim made by former directors and officers (the "Insureds") of Commodore International Limited ("Commodore") under the second-layer Excess Directors and Officers Liability and Reimbursement Policy number 8141-5813 (the "Second Excess Policy") and fifth-layer Excess Directors and Officers Liability and Reimbursement Policy number 8141-5814 (the "Fifth Excess Policy," and together with the Second Excess Policy, the "Federal Excess Policies") issued to Commodore.

3. In or about February 1995, notice was provided to Federal of potential claims that had been or might be asserted against the Insureds in connection with Commodore's bankruptcy. The Insureds subsequently provided notice of the claims asserted against them in an action pending in the Supreme Court of the Commonwealth of the Bahamas and captioned Wilson v. Gould, et al., 1994 No. 473/581 (the "Bahamas Litigation").

4. In April 2005, defense counsel for the Insureds requested that Federal advance Defense Costs under the Federal Excess Policies in connection with the Bahamas Litigation.

5. In 2005, Federal entered into an Interim Funding Agreement (the "IFA") under the terms of which Federal agreed to advance Defense Costs (as defined by the Federal Excess Policies), pursuant to a full reservation of its rights under the Federal Excess Policies. Although the IFA was initially subject to Federal's reservation of all of its rights under the Federal Excess Policies and at law, including the right to seek reimbursement from the Insureds of any amount advanced thereunder, Federal subsequently agreed in 2006 that it would not seek reimbursement of amounts advanced under the IFA. (See Declaration of Rachel V. Stevens, dated December 15, 2010, at Ex. 1, at ¶¶ 48-51.)

6. Pursuant to the IFA, Federal has paid approximately $4 million in Defense Costs on behalf of the Insureds.

7. The Insureds have never asked Federal for its consent to enter into any settlement of the Bahamas Litigation.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: Toronto, Canada
January 26, 2011

Laila Brabander